

## P294 Consultation Responses

**Consultation issued on 12 September 2013**

We received responses from the following Parties

Company	No BSC Parties / Non-Parties Represented	Role of Parties/non-Parties represented
National Grid	1/0	Transmission Company
E.ON UK	4/0	Supplier, Generator, Trader
Centrica	11/0	Generator, Trader, Supplier, BSC party
SSE plc	8/1	Trader, Generator, Supplier
DONG Energy	4/0	Offshore wind farm generators
IBM UK Ltd for and on behalf of the ScottishPower Group	7/0	Supplier, Generator, Trader, Consolidator, Exemptible Generator, Distributor

What stage is this document in the process?

**01** Initial Written Assessment

**02** Definition Procedure

**03** Assessment Procedure

**04** Report Phase

**Question 1: Do you agree with the Panel's initial unanimous view that P294 should be approved?**

**Summary**

Yes	No	Neutral/Other
6	0	0

**Responses**

Respondent	Response	Rationale
National Grid	Yes	-
E.ON UK	Yes	<p>We agree with the reasons and justification of the Panel, namely:</p> <ul style="list-style-type: none"> <li>• P294 would remove the cost burden of installing Settlement metering at the onshore Boundary Point (as that metering has a limited operational life until the OTSUA are transferred to an OFTO);</li> <li>• by socialising the transmission losses along the OTSUA, it would mean greater consistency around the treatment of losses, in that they would be treated in the same manner as transmission losses when the Transmission System Operator extends to the Transmission System onshore or when an OFTO extends the Offshore Transmission System; and</li> <li>• the changes would improve clarity around definitions in the BSC and further align the BSC with the DCUSA with respect to where OTSUA connect to a Distribution System onshore and who is responsible for the metering between the OTSUA and Distribution System.</li> </ul>
Centrica	Yes	<p>We agree with the Panel that P294 should be approved.</p> <p>We consider the primary benefit of P294 is against objective (c). The proposal reduces the overall cost of providing electricity to consumers by removing the requirement on generators undertaking OTSDUW to temporarily install COP1 meters at the onshore boundary point. These meters quickly become superfluous so the cost of installing them represents poor value for money to consumers. P294 would remove this unnecessary cost burden on generators undertaking OTSDUW and thereby enhance effective competition in the generation of electricity.</p> <p>We also believe P294 delivers some benefits against objective (d) as it improves clarity and consistency</p>

Respondent	Response	Rationale
		around definitions in the BSC versus other codes.
SSE plc	Yes	-
DONG Energy	Yes	<p>We agree that the proposed modification better meets BSC objectives C and D for the following reasons:</p> <p><u>Objective C: Promoting effective competition</u></p> <ul style="list-style-type: none"> <li>P294 would ensure that losses associated with offshore wind generators' transmission assets are treated in a consistent manner to onshore generators' assets.</li> <li>Our understanding is that if a generator opted for the OFTO build option to construct transmission assets, the requirement to install CoP1 onshore settlement metering equipment (or apply for the relevant dispensation) would not be required. P294 ensures that a Generator Build project is not disadvantaged compared to an OFTO build project.</li> </ul> <p><u>Objective D: Promoting efficiency in the implementation of the balancing and settlement arrangements</u></p> <ul style="list-style-type: none"> <li>As set out by the working group, the current transmission system categories and definitions (including Total System, Offshore Transmission System, and OTSUA) are not consistent across codes, and amending the BSC through P294 would improve this.</li> </ul>
IBM UK Ltd for and on behalf of the ScottishPower Group	Yes	-

**Question 2: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P294?**

**Summary**

Yes	No	Neutral/Other
6	0	0

**Responses**

Respondent	Response	Rationale
National Grid	Yes	-
E.ON UK	Yes	The changes to the definitions ensure that the Offshore Transmission System User Assets (OTSUA) form part of the Total System prior to becoming an Offshore Transmission System and in turn forming part of the Transmission System for the purpose of those two definitions. Consequently it removes the existing artificial Boundary Point between the OTSUA and the Transmission System, removing the need for a compliant metering system at the onshore substation.
Centrica	Yes	-
SSE plc	Yes	-
DONG Energy	Yes	Yes, we do agree with the proposed changes to the BSC, as this would allow the proposed solution to be fully implemented
IBM UK Ltd for and on behalf of the ScottishPower Group	Yes	-

### Question 3: Do you agree with the Panel's recommended Implementation Date?

#### Summary

Yes	No	Neutral/Other
6	0	0

#### Responses

Respondent	Response	Rationale
National Grid	Yes	-
E.ON UK	Yes	As the proposed change is limited to amending and adding definitions in the Code there is no requirement for a longer implementation period.
Centrica	Yes	-
SSE plc	Yes	
DONG Energy	Yes	The implementation of P294 has been identified as requiring one day's work, and should be implemented as soon as possible to ensure that offshore wind farms currently under development can benefit from the modification as soon at the earliest possible point in time in order to avoid costs associated with the current arrangements.
IBM UK Ltd for and on behalf of the ScottishPower Group	Yes	-

## Question 4: Do you have any further comments n P294?

### Summary

Yes	No	Neutral/Other
1	5	0

### Responses

Respondent	Response	Rationale
National Grid	No	-
E.ON UK	No	-
Centrica	No	-
SSE plc	No	-
DONG Energy	Yes	<p>We have some concerns regarding the existing method (currently in place before the implementation of this proposal) to allow offshore generators to energise their system with offshore meter(s) and BMU(s) only and a dispensation (following approval of BSCP32) and we are not clear if this would have an impact on this proposal.</p> <p>At present, offshore generators can register BMU(s) at the offshore Grid Entry Point following to the application (submission of BSCP32) and approval of a dispensation from Elexon. However, offshore generators in such situation are not allowed to energise part of their transmission system until the offshore meter(s) and BMU(s) are fully online and operating: this would mean that the offshore transmission assets is completely installed and the optic fibers which are used to connect the meter(s) to the shore are in full operation.</p> <p>This is however not always the case and some offshore generators may prefer to start energising the onshore part of the offshore transmission system before the rest of the system (export cable) is completely installed. In this case, settlement metering sitting offshore cannot be visible to Elexon and a generator is currently prevented from energising the unmetered onshore installation. The offshore installation is not connected and therefore the consumption from the offshore grid is zero: a solution could be to apply a loss correcting aggregation formula, which would work to establish a stipulated onshore consumption in lieu of metering; however, the current regulation for metering to be on</p>

Respondent	Response	Rationale
		<p>the system upholds onshore breaker closure and progress energisation.</p> <p>This approach clearly represents a problem for offshore generators, as it has an impact on their commissioning programme and could cause delay to the completion of the project. Ultimately, this may force the offshore generators to prefer a solution where onshore meter(s) and BMU(s) are first registered and then moved to offshore once the offshore transmission assets is completed (or more likely the assets have been transferred to the OFTO).</p> <p>It is not clear if this issue has been addressed in this consultation, but we believe that it should be considered. In order to allow a full use of the proposed change of this proposal, it should be allowed to generators to be able to energise part of their system before the BMU is online, as otherwise the advantages of the proposal of this document may not be completely developed.</p> <p>We are happy to discuss this further, should Elexon and Ofgem be interested in further discussions and assess potential solutions.</p>
IBM UK Ltd for and on behalf of the ScottishPower Group	No	-